

UNITED STATES DEPARTMENT OF AGRICULTURE

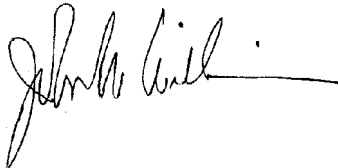
Farm Service Agency
Washington, DC 20250

Notice IRM-295

For: FAS, RMA, and FSA Offices

Information Technology (IT) Investments Moratorium

Approved by: Acting Deputy Administrator, Management



1 Overview

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Background

On November 12, 1996, Deputy Secretary Rominger issued a memorandum that immediately established a moratorium on all significant IT acquisitions until the development of a new Departmentwide information architecture. Secretary Glickman extended this moratorium on May 23, 1997, citing the lack of progress in improving the way USDA manages IT resources. The Department Chief Information Officer (CIO) revised the procedures for implementing the moratorium on July 2, 1997, and provided a linkage to Phase 1 of a USDA-wide Telecommunications Network Stabilization and Migration Program (TNSMP).

Resolving IT management problems at USDA continues to be a top priority for senior USDA and FFAS management. On November 18, 1997, the President and Congress codified the USDA IT Moratorium into Public Law, which led Department CIO to amend the implementation guidance for the USDA IT Moratorium on January 28, 1998.

B

Purpose

This notice provides guidance regarding all IT acquisitions during the moratorium on IT investments.

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Contact

Direct questions about this notice to Lorraine West, ITSD, 202-720-0914.

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Disposal Date

January 1, 2000

Distribution

All FAS, RMA, and FSA Offices; State Offices
relay to County Offices

1 Overview (Continued)

D

Action

FSA, FAS, and RMA offices are expected to comply with the terms of the moratorium, as further stated in this notice. Secretary Glickman has not provided a projected end date to the moratorium, which will continue until further notice.

According to Department CIO's memorandum dated January 28, 1998, only significant IT acquisitions that are emergency acquisitions or acquisitions directly related to ensuring Year 2000 compliance will be considered as candidates for a waiver to the moratorium. Designation of an IT emergency will be determined solely by Department CIO. Waiver requests that were not part of agency capital investment plans approved by the Executive Information Technology Information Resources Board (EITIRB) will be submitted to EITIRB for approval.

2 Identifying Significant IT Acquisitions

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Moratorium Provisions

The IT Acquisition Moratorium applies to all IT acquisitions over \$25,000, including orders against all existing contracts and GSA schedules, except for those exemptions listed in subparagraph B.

In meeting TNSMP requirements, FFAS is required to forecast telecommunications requirements for FY and enter them in the Forecast, Inventory, and Reporting (FIR) database. Any requests for services and/or equipment not entered in the FIR database is considered an unplanned change, and therefore requires the submission of an "Unplanned Change Waiver". A format for this waiver was distributed during the Telecommunications Mission Area Control Officers (TMACO) training program. This change waiver is a unique waiver related to unplanned telecommunications acquisitions and should not be confused with the IT Acquisition Moratorium Waiver. A specific acquisition may require both of these waivers. For instance, an unplanned telecommunications acquisition greater than \$25,000 would require both an "Unplanned Change Waiver" and an IT Acquisition Moratorium Waiver.

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2 Identifying Significant IT Acquisitions (Continued)

B

Exceptions

As defined by Department CIO, this moratorium applies to all significant IT acquisitions, including orders against all existing contracts and GSA schedules, except for either of the following:

- renewals of existing contracts for mission-critical maintenance and leases, if optional enhancements and/or upgrades which cost in excess of \$25,000 are not involved
- IT acquisitions by organizations other than USDA agencies, but funded by USDA grants.

The following definitions apply to the terms “Development/Enhancement” and “Maintenance”.

- Development/enhancement - Costs for new systems, changes or modifications to existing systems that improve capability or performance, including changes mandated by Congress, or agency leadership and personnel costs for project management and direct support.
 - Maintenance - Cost of operations at a current capability and performance level, including personnel costs, maintenance of existing automated information systems, corrective software maintenance, voice and data communications maintenance, and replacement of broken IT equipment.
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3 Guidelines for Significant IT Acquisitions

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Guidelines

FSA significant IT acquisitions must receive approval through the clearinghouse review process with the Service Center partner agencies.

Paragraph 5 and subparagraph 6 A provide additional information regarding the clearinghouse review process.

All FFAS agencies with acquisitions, determined to be significant IT acquisitions, must ensure that each acquisition:

- is sensitive to meeting the 8 criteria for managing major information systems according to OMB Memorandum 97-02 to Heads of Executive Departments and Agencies

Note: See subparagraph 6 C for a brief summary of the 8 criteria.

- receives a waiver from the Department Office of the Chief Information Officer (OCIO)

Note: Subparagraph 6 B provides detailed information regarding preparing waivers for IT acquisitions.

- includes the following certification statement on the procurement request (AD-700), "This requirement is subject to the IT Investments Moratorium and a waiver has been approved by Department CIO, and as required by the EITIRB."

Note: Attach a copy of the approved waiver to AD-700.

4 Guidelines for Other IT Acquisitions

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Background

Although acquisitions less than \$25,000 are not part of the IT investments moratorium, Department CIO requires each agency to adhere to the same principles under which the moratorium was issued for significant IT investments. This paragraph establishes guidelines for these IT acquisitions.

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Certification

The following procurement request (AD-700) certification statement should be included on the procurement request, "This requirement is exempt from the IT investments moratorium and is in compliance with the spirit of the moratorium guidance of January 21, 1998."

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Deviations From Established Information Architectures

In keeping with the spirit of the moratorium, any proposed acquisitions that deviate from each agency's current information architecture, or that might create what is perceived to be an adverse effect on any future Departmentwide information architecture, may be disapproved.

D

Splitting Requirements

Any proposed acquisition which attempts to circumvent the \$25,000 threshold by splitting requirements will be disapproved.

E

Clearinghouse Approval

FSA acquisitions must be approved through the clearinghouse review process. See paragraph 5 to determine applicability to each acquisition.

5 Identifying Acquisitions Requiring Clearinghouse Review

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Background

In April 1996, Rural Development, NRCS, and FSA signed an agreement, "IRM Coordination Plan of the USDA Service Center Partner Agencies (IRM Coordination Plan)". This agreement requires that certain acquisitions must be reviewed and approved by all 3 agencies before acquisition.

B

Submitting Acquisitions for Review

ITSD will assist in writing documents and provide for clearance of acquisitions that are subject to the clearinghouse review process.

6 Moratorium Waivers for IT Acquisitions

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Background

Except for significant IT acquisitions specifically excluded from the moratorium, no agency may award a contract/order for a significant IT acquisition until a waiver issued by Department OCIO is received by the agency. All FSA waivers must be sent directly to FSA CIO. Justifiable waivers will be forwarded to Department OCIO for approval.

Waiver requests from FSA must:

- be submitted to Department CIO from the FSA Administrator, with concurrence from each of the Service Center Agency Administrators
- include documentation that the waiver request was approved by FSA's CIO through the clearinghouse review process for the Service Center Agencies.

Waiver requests from FAS and RMA must be submitted to Department CIO from that agency's Administrator through the Under Secretary.

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Preparing Waiver

All waivers must be in decision memorandum format and should be no more than 2 or 3 pages. The following information should be included:

- a description of the planned acquisition, including technical documentation, such as the requirements analysis
 - the dollar amount and the Standard Industrial Classification (SIC) Codes for each of the items included in the acquisition
 - the source of funding (no year or annual appropriation)
 - the impact on program delivery if the acquisition is not allowed to proceed
 - a statement on how the proposed acquisition will modify the acquisition cost of the approved IT Investment
 - an attached copy of the related IT investment from the investment portfolio approved by EITIRB, which includes the FY 1999, 2000, and 2001 budget items.
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6 Moratorium Waivers for IT Acquisitions (Continued)

C

**Waiver
Considerations**

OMB Memorandum 97-02 states the 8 criteria for managing major information systems. Based on this memorandum, the Under Secretary must ensure that all major information systems, including those for which acquisition waivers are requested, are evaluated against these 8 criteria. These criteria state that all systems should do the following.

No.	Criteria for Managing Major Information Systems
1	Support core/priority mission functions.
2	Ensure no alternative private sector or governmental source can efficiently support the function.
3	Support work processes that: <ul style="list-style-type: none"> • reduce costs • improve effectiveness • make maximum use of commercial, off-the-shelf technology.
4	Demonstrate a significant projected return on investment.
5	Be consistent with Federal, agency, and bureau information architectures.
6	Reduce risk by: <ul style="list-style-type: none"> • avoiding custom-designed components • using fully-tested pilots, simulations, or prototype implementations • establishing clear measures and accountability for project progress • securing substantial involvement and buy-in from program officials.
7	Be implemented in phased, successive chunks which are narrow in scope and brief in duration, while being independent of future chunks.
8	Employ an acquisition strategy that appropriately allocates risk between government and contractor.

7 Responsibilities

A Waiver Requestor Responsibilities

In addition to following the standard established rules and regulations regarding acquisitions, the waiver requestor shall:

- follow the rules issued specifically for the moratorium as stated in this notice
 - follow the guidelines presented in this notice when preparing a waiver request
 - forward requests through approved channels for approval.
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B FSA CIO Responsibilities

FSA CIO shall ensure that both significant IT acquisitions and other IT acquisitions are conducted in compliance with, and in the spirit of, the moratorium.

C Agency Administrators and Under Secretary Responsibilities

Agency Administrators and the Under Secretary shall:

- ensure that both significant IT acquisitions and other IT acquisitions are conducted in compliance with, and in the spirit of, the moratorium
 - evaluate the major information system, supported by the proposed acquisition, according to the 8 criteria in OMB Memorandum 97-02
 - ensure that waivers are for acquisitions included in the investments portfolio approved by EITIRB
 - forward waivers to Department OCIO, and in the case of FAS and RMA, through the Under Secretary.
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D Department CIO Responsibilities

Department CIO shall evaluate all requests for waivers to the moratorium. If approved, Department CIO will send a waiver to the requestor.

E Head Contracting Authority Responsibilities

The head contracting authority shall process only actions specifically excluded from the moratorium and those for which a waiver has been approved.
